



CASE Clarification on Counting Issues

Periodically, CASE and the Council for Aid to Education respond to questions about whether and how certain peculiar or rare sorts of donations should be counted in fundraising totals reported.

This document addresses three of these categories of donations:

- Intellectual property and patents
- Conservation Easements
- Corporate Partnerships

While each of these is addressed directly or indirectly in the [CASE Reporting Standards and Management Guidelines for Educational Fundraising, fourth edition](#), CASE provides the additional guidance below to respond to requests for clarification. Future editions of the standards will reflect these comments. Respondents to the CASE Campaign Survey and CAE's Voluntary Support of Education Survey should follow – or continue to follow – the counting methods below, effective immediately, when reporting campaign and annual fundraising totals:

- **Intellectual Property (IP) & Patents:** *Book only the revenue stream, if any, the IP or patent generates as it is received over time.* While permanent donations of intellectual property and patents can be tax-deductible, their value to the qualified recipient organization might be impossible to predict and will rarely equal the deduction a donor might be able to claim. Neither, in fact, may result in any actual or realized value to the organization. A donor's appraised value should never be used when determining the value an institution uses for counting purposes.
- **Conservation Easements:** *Usually, do not count easements in annual or campaign surveys. Only if revenue is realized should that amount be recognized as a gift.* Conservation easements can be accepted as tax-deductible contributions to those institutions having land conservation as a related mission. However, only in rare circumstances does the recipient organization realize revenue from accepting an easement. While conservation of land is a noble endeavor, counting of the appraised

value of these easements in fundraising totals artificially inflates those totals. Because an easement cannot be monetized, except in very rare circumstances, it is improper to add its value to fundraising totals even if some programmatic use for it can be found.

- **Corporate Partnerships:** *None of the income or cost-savings resulting from corporate partnerships should be included in fundraising totals.* Common examples of these partnerships are the donations of software systems to an institution for specific use in training students in the use of that particular software, wherein the institution is exempted from paying annual license or maintenance fees. Similarly a software company may offer the use of its product in order to showcase the product to other organizations. While the recipient organization may be able to use the software, ownership of the software is rarely conveyed and the free use of the software programs is generally reviewed for continued use annually. Therefore, these fall under the IRS definition of “partial interest” (see IRS Publication 526) where there is no tax-deductible gift and, therefore, no countable gift. Other examples of corporate partnerships include exclusive pouring rights, food service contracts, and credit card affinity programs in which selection of a specific vendor is made with the understanding that the vendor will pay the institution fees in exchange for its selection.

9-23-11